



Blythe Energy Project Phase II

Caithness Blythe II, LLC

15770 W. Hobsonway

P.O. Box 879

Blythe, CA 92226

760.922.2957

June 29, 2004

Mr. Bill Pfanner
Project Manager
California Energy Commission
MS-15
1516 Ninth Street
Sacramento, CA 95814-5512

**Subject: Caithness Blythe II Responses to the Blythe Energy
Phase II Preliminary Staff Assessment - Air Quality**

Dear Mr Pfanner;

Enclosed are 25 copies of the CB II responses to the Blythe II Preliminary Staff Assessment Air Quality section, as you requested. These are the Air Quality comments that were identified for submittal at a later date in the April 21, 2004, submittal from CB II. You should insert the attached sheets with Air Quality comments into the first tab of the binders you received in April and remove the yellow sheet that notes comments will be provided later.

Please do not hesitate to call me if you have questions at (414) 475-2015.

Very truly yours,

Thomas Cameron
Project Manager
Caithness Blythe II

cc: File
R. Looper (Caithness Blythe II)
S. Galati (Caithness Blythe II)

Caithness Blythe, LLC
565 5th Avenue, 28th & 29th Floors, New York, NY 10017
Phone 212.921.9099 Fax 212.921.92398

AIR QUALITY

Applicant's Comments to BEP II Preliminary Staff Assessment Air Quality		
Number	Comment	Page
1	Two groundwater wells will be installed for BEP 2. This has been clarified in CB II's response to Data Request #61 and is shown on Figure 2.0-4 provided with the submittal package.	4.1-14
2	Final emissions controls will be as reflected in the FDOC.	4.1-14 – 4.1-17
3	Need to address whether NRCS guidelines will be implemented with WCOP lands.	4.1-15
4	Staff refers to Air Quality Table 10 in a discussion regarding existing violations of ozone standards for NO _x and VOC's and Staff indicates a significant impact to air quality will be caused. Table 10 does not indicate an exceedance of a standard for these pollutants, nor are VOC levels indicated in this Table. Staff should review/correct this conclusion.	4.1-20
5	CB II continues to disagree with Staff's position regarding cooling tower drift and conversion to PM ₁₀ . CB II has provided evidence from a well known technical expert on this subject matter. Staff has not provided any evidence to dispute CB II's position.	4.1-21
6	Air Quality Table 15 should be revised based on FDOC values.	4.1-26
7	Staff indicates CB II's ERCs offset package is incomplete because the ERCs to be used to offset PM ₁₀ have not yet been approved. CB II has proposed, and MDAQMD has approved the same process for generating PM ₁₀ credits. CB II has identified certain roads and characterized the PM ₁₀ offsets which can be generated if the roads are paved. CB II will pave the roads, just prior to commencement of construction and apply for the credits to be issued. CB II will surrender the credits prior to start of construction. This process was utilized for BEP and determined to be acceptable by the CEC.	4.1-26
8	Staff's discussion on the Adequacy of Proposed Mitigation should be revised based on the FDOC. CB II provided comments responding to EPA's comments on the PDOC and also has commented on the draft EPA PSD permit. Staff fails to acknowledge any of CB II's comments and therefore has not captured several key points in their analysis. Staff should revisit this section based upon completion of the FDOC	
9	Staff Proposed Mitigation suggests a 5ppm limit on ammonia slip. CB II has indicated several times these	

AIR QUALITY

	levels make absolutely no sense due to the ammonia rich environment resulting from farming activities. Staff reached this same conclusion in BEP licensing.	
10	CB II generally disagrees with Staff's position taken in the final sections of the PSA. Staff has incorporated comments on the PDOC which were submitted by CARB and EPA. Staff has failed to acknowledge comments made by CB II responding to both CARB's and EPA's comments/issues. CEC was copied on these documents	4.1-26 – 4.1-32

CONDITIONS OF CERTIFICATION BLYTHE ENERGY PROJECT PHASE II

The CEC licensed BEP with several construction-related air quality conditions of certification. The CEC specifically found the incorporation of those conditions of certification would comply with all applicable LORS and would mitigate any potential air quality impacts during construction to less than significant levels. For BEP II, Staff has recommended new and different air quality conditions, ostensibly to mitigate the same potential air quality impacts identified in its analysis of BEP. These new and additional conditions of certification impose additional burdens on BEP II that were not required for BEP. Staff has failed to identify any specific need for these new and additional conditions of certification but rather has engaged in "underground" rulemaking by imposing them on BEP II. CB II requests the same conditions as BEP.